

FISCAL NOTE

HB 3896 - SB 3958

February 18, 2008

SUMMARY OF BILL: Requires the Department of Education to establish, administer, and monitor a system of competitive grants for eligible organizations providing after-school civic education programs. Authorizes the General Assembly to appropriate funds for such grants any fiscal year which the lottery scholarship program is fully funded and excess lottery funds are available.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Based on current revenue and expenditure estimates for the Tennessee Education Lottery program, approximately \$5,000,000 in excess lottery funds is anticipated for FY08-09. If the General Assembly appropriates 100% of this excess for after-school civic education programs, it will increase the expenditure of lottery proceeds earmarked for scholarships and grants by \$5,000,000 for FY08-09. Additional funding in subsequent years would be dependent upon the extent of excess lottery revenue, and whether the General Assembly appropriates such excess revenue, or portions thereof, for after-school civic education programs.

Assumptions:

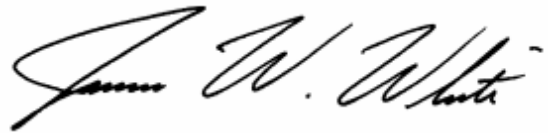
- According to the Tennessee Higher Education Commission (THEC), this bill will not impact departmental revenue or expenditures.
- According to the Tennessee Student Assistance Corporation (TSAC), this bill will not impact departmental revenue or expenditures.
- The State Funding Board's adopted range for net lottery proceeds for FY08-09 is \$280,000,000 to \$290,000,000 (with a mid-point of \$285,000,000).
- TSAC and THEC estimate total expenditures to fund Tennessee education lottery scholarships to be \$238,000,000 in FY08-09 under current law.
- \$25,000,000 is earmarked for Pre-K programs (included in the Governor's FY08-09 Budget Document).

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- \$10,000,000 will be earmarked for Tennessee Student Assistance Awards (TSAA or need-based grants).
- \$7,000,000 will be expended for THEC and TSAC to administer lottery scholarship program.
- Excess funding for FY08-09 is estimated to be \$5,000,000 (\$285,000,000 - \$238,000,000 - \$25,000,000 - \$10,000,000 - \$7,000,000 = \$5,000,000). This is the amount estimated to be available for appropriation by the General Assembly for FY08-09.
- Approximately \$12,900,000 is currently estimated to be available for after-school programs (from unclaimed lottery prizes) for FY08-09. If \$5,000,000 in excess lottery funds is earmarked for after-school programs as a result of this bill, the total amount for such programs for FY08-09 would become approximately \$17,900,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

/rnc